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11 MAR 1980

MEMORANDUM FOR: Chief, Audit Staff

VIA: Inspector General

FROM: James H. McDonald
Director of Logistics

SUBJECT: Report of Audit, Logistics Services Division,
for the Period 1 November 1977 - 31 August
1979

REFERENCE: Memo for D/L from G/AS, dated 23 Jan 80,
same subject

1. This memorandum is to advise you of the actions taken on the recommendations made by the Audit Staff as a result of the subject audit of Logistics Services Division (LSD).

2. Recommendation #1: Follow as closely as practical established preventive maintenance schedules.

Action: In the future, when vehicles are delivered to the Motor Pool for service, the maintenance supervisor will review the maintenance schedule to ensure that preventive maintenance is not performed before it is due. Justification for work performed ahead of schedule will be noted on the work order.

3. Recommendation #2: Submit the required report to the Director of Finance and follow established procedures in the future.

Action: The circumstances surrounding the overage of \$140.00 in the LSD's Building Services Branch (BSB) imprest fund was fully explained in a memorandum to the Director of Finance. Based on the facts provided in the

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SUBJECT: Report of Audit, Logistics Services Division,
for the Period 1 November 1977 - 31 August 1979

memorandum, the Director of Finance approved the refund to the custodian of \$140.00 of personal funds which she had added to the imprest fund. The custodian of the fund has been admonished for her imprudent handling of the fund and has been requested to advise her supervisors immediately of any future discrepancies.

4. Recommendation #3: Prepare CMRs for accountable property located outside BSB.

Action: Memorandum receipts have been prepared for all accountable property not under the physical control of BSB. Some of the receipts have been signed and returned to BSB. Other responsible officers are completing their inventories but have not yet returned their signed CMR's. LSD will continue to monitor this project to completion. A follow-up report will be provided in 30 days or upon completion of the project if sooner.

/s/ James H. McDonald

James H. McDonald

cc: DDA
O/Compt
OIG
D/Fin

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23 JAN 1980

MEMORANDUM FOR: Director of Logistics

VIA: Inspector General. *bs*

FROM:

[Redacted]

~~Acting~~ Chief, Audit Staff

SUBJECT: Report of Audit, Logistics Services
Division, For the Period 1 November 1977 -
31 August 1979

1. Subject report is attached. Please advise the ~~Acting~~
Chief, Audit Staff of the action taken on recommendations
made in the report.

2. We appreciate the cooperation and assistance
provided by your staff during the audit.



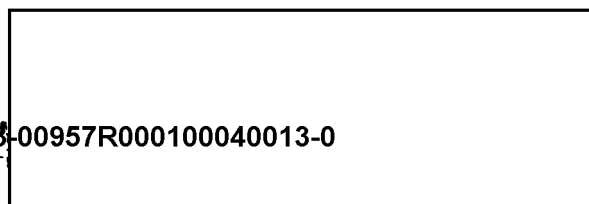
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REPORT OF AUDIT
Office of Logistics
Logistics Services Division

For the Period
1 November 1977 - 31 August 1979

SUMMARY

1. Financial and logistical controls, procedures and records are generally effective and in conformance with Agency regulations. Minor administrative matters were discussed with responsible officers and resolved during the audit. This report includes comments and recommendations regarding:

- vehicular preventive maintenance,
- imprest fund overage, and
- accountable property control.

SCOPE

2. The audit included tests of controls, procedures and records as necessary to determine compliance with Agency regulations. Financial and logistical transactions were examined for propriety, approvals, certification, and supporting documentation. The Executive Dining Room, which is administered by Logistics Services Division, is the subject of a separate audit.

BACKGROUND

3. Logistics Services Division (LSD) has a personnel complement of [] staff and 19 non-staff employees who provide logistical support to Agency components located in the Washington area. LSD's funds allotment for Fiscal Year 1979 was [] and its property requisitioning authority was [] (excluding the Executive Dining Room). LSD is accountable for nonexpendable property valued at []

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4. LSD is organized into four branches and the Architectural Design Staff. Motor Pool Branch provides transportation services and maintains and repairs approximately 200 Agency vehicles. Building Services Branch stocks supply rooms, moves office equipment and furniture, disposes of classified trash, and maintains contracts for the servicing of office machines and equipment. Mail and Courier Branch collects, processes and delivers classified and unclassified mail and packages and provides courier services to certain CONUS locations. Space Maintenance and Facilities Branch controls the programming and scheduling of repairs and maintenance within Agency buildings, operates the pneumatic tube system at Headquarters, and controls the issuance of parking permits. The Architectural Design Staff provides services necessary to accomplish building alterations, and space planning and allocation in support of the Agency's overt activities.

DETAILED COMMENTS

Preventive Maintenance

5. Maintenance records of a sample of 21 vehicles serviced by Motor Pool Branch (MPB) indicated that seven of those vehicles had received preventive maintenance services more often than required. MPB has established for each vehicle maintenance schedules based upon the vehicle's year, model and manufacturer. These schedules require preventive maintenance, including oil and filter changes, approximately every 3,000 to 5,000 miles. The seven vehicles received these services at less than half the mileage intervals scheduled for such services.

6. One vehicle, MV 30629, received preventive maintenance services on 18 May 1978 at 33,570 miles. Five weeks and 395 miles later the vehicle received the same services. The vehicle's maintenance schedule required such services every 3,000 miles. This was the most extreme deviation from the schedules noted in the sample; the other six vehicles had intervals of approximately 1,000 to 2,000 miles between similar services.

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7. MPB sometimes performs routine preventive maintenance services, including oil and filter changes, whenever the vehicles require repairs. MPB personnel should review the vehicles' maintenance records to determine if the vehicles would soon require preventive maintenance services before they perform such services. Labor and materials are not being efficiently utilized if unnecessary services are being performed.

Recommendation #1: Follow as closely as practical established preventive maintenance schedules.

Imprest Fund Overage

8. The audit of Building Services Branch's imprest fund disclosed an overage of \$140. The fund custodian failed to record a September 1979 advance of \$100 and October 1979 advances of \$25 and \$15 in the cash journal. These unposted transactions gave the appearance of a cash shortage. The custodian stated that she added to the imprest fund \$140 of her personal funds to cover the apparent shortage.

X1 9. [] paragraph 77 requires reporting of cash discrepancies to the Director of Finance. LSD officials advised us that the necessary report will be submitted and will include a request for approval to refund to the custodian \$140 of personal funds that she paid into the imprest fund.

Recommendation #2: Submit the required report to the Director of Finance and follow established procedures in the future.

Accountable Property

10. Building Services Branch (BSB) has not prepared consolidated memorandum receipts (CMRs) for accountable property located outside BSB. BSB's property account 7812, valued at \$214,131, includes property located in the Office of the Chief, Logistics Services Division; Mail and Courier Branch; and Space Maintenance and Facilities

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Branch. The individuals who use and control the property outside BSB should be required annually to sign CMR's acknowledging the accountable property located in their offices. Use of CMR's by BSB should simplify BSB's administration of account 7812 and improve overall control over property.

Recommendation #3: Prepare CMRs for accountable property located outside Building Services Branch.

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